



	1-0-2007-0	cneauing Conference
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23	PROCEEDINGS REPORTED USING COMPUTERIZED STENOTYPE; TRANSCRIPT PRODUCED VIA COMPUTER-AIDED TRANSCRIPTION.	
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questions here. There was a motion to consolidate the two cases. And I guess this gets into a number of different issues; but one of them is -- is that now, as I count it, there's, I think, 101 or 102 claims at issue divided up into, I guess, two groups of patents, the edge design patents and the toric design patents. There's the '903, '740 and '746, the original toric patents; and then there is the '174 and the '753, the new toric patents.

And I don't see how logically myself or anyone else is going to have a Markman Hearing on a hundred different claims, and I'm positive that nobody is going to try a case before a jury with a hundred different claims. I am looking very seriously at some Orders Judge Folsom put out limiting the number of claims or requiring Plaintiff to make a choice or an election at some point as to the number of claims. The other possibility is dividing it up into two cases, the edge design patent case and the toric case. It does seem to make some sense to have all of the torics together, so ...

Let me hear from Plaintiff I mean, I understand there's obviously some benefits and savings of handling it all at once. And, yes, they are all dealing with, you know, a group of contact lenses; but -- and I think we discussed this at the management conference on the first case. There were a lot of claims out there already. Now we've just added some more.

MR. SHEASBY: Yes, your Honor.

Can you run the presentation, please? Thank you very much

Your Honor, you are correct. I think there are approximately 100 claims at issue right now. There's, I think, two salient points to recognize about that fact. One is, it is CooperVision's understanding that we have an obligation under the Federal Rules and under the Patent Rules to --

Should I push the button?

DEPUTY CLERK: Yes. There you go.

MR. SHEASBY: There are approximately a hundred claims I think there's two points to emphasize. One has to do with our obligations under the Federal Rules and the Patent Local Rules of this Court. It is our understanding that we have to identify all of the claims that we have a reasonable basis for believing that CIBA infringes. Now, certainly there is no way that a hundred claims are going to be presented to a jury. And just as in, I think, all patent cases, as discovery progresses and as claim construction proceeds, the claims are going to narrow; and ultimately the parties are going to identify a representative set of claims which to present to a jury.

I think the other point to emphasize is that there's a couple unique features about these patents. They were prosecuted by the same attorney; and although there are a

hundred claims at issue, there are actually a relatively limited number of independent claims.

THE COURT: Well, I mean -- and I guess that gets into -- I mean, tell me if I'm wrong. I mean, you've got a hundred some-odd claims and supposedly this was done after a reasonable Rule 11 investigation and you are able to get copies or samples of their contacts. So, in effect, if you are correct that they are infringing on all these hundred claims, you are saying basically they're making the exact same contact lens with almost the exact same process in almost every respect.

Now, if that's true, then you ought to be able to prove that their violation of -- or infringement on ten of the claims proves your case and entitles you to your entire set of damages. And if it's false, if they can prove, you know -- I mean, it's almost like the -- and I'm following along on some of Judge Folsom's logic where if there's really that many claims being infringed, you are in effect saying to the Court this is an open-and-shut case, they are just total infringers, just basically copycats. And if that's true, you ought to be able to prove it pretty easy.

And, so, I am not uncomfortable with the idea; and you're talking about limiting it down. I guess the question becomes when; and in my mind it's got to be before the *Markman* because, otherwise, I'm attempting to construe terms for a

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hundred different claims, which becomes an almost impossible intellectual exercise.

MR SHEASBY: I understand your concern, There's -- a point to remember about the claims is vour Honor ... that there are a number of claims at issue. They actually coalesce into a number of core concepts. And I think if you look at the claims -- this is a sampling of the independent claims from the toric patents, the five toric patents. And you will see that each of those independent claims -- and I think there's 13 of them -- really center around the same core an optic zone, an inner zone surrounding an optic zone, a ballast portion, a substantially uniform horizontal And if you take a look at the claims themselves -thickness these are excerpted versions of two of the claims, one from the new toric patent and one from the original toric patent -- you will see that there are reoccurring core limitations.

And, so, though in a normal situation there might be a correlation between limiting claims in advance of claim construction and limiting the number of terms you are going to have to construe, in this situation I'm actually not sure that's the case because of the way the claims are structured with a distinct independent claim and then a number of dependent claims tailing off of the independent claims. But the dependent claims themselves actually repeat. And, so, as one example just going on and focusing on the toric patents, I

think there are 67 independent -- 67 dependent claims in the toric patents; but about 47 of them really coalesce into these five categories and, with those five categories, the same repeating limitation over and over again in dependent claims.

The point I'm trying to make, your Honor, is, if you were to, say, cut the claims by a third, there wouldn't be a correlation between the number of claim terms in dispute being limited by one-third because in those claims that are being -- the claims that still remain, the same terms are going to just -- are going to be present.

THE COURT: But there is -- I think you're making my argument. You're saying these are all very similar. If they are infringing one, they are infringing the others. It isn't necessarily always true; but it seems to me that having done your investigation or having a chance to do a little bit more investigation, you ought to be able to pick the ten or so that: Yeah, they are infringing. We really think these are infringements. We're not even going to waste time with the lesser infringing ones. We're going to nail them on this.

And present those to me, and the advantage is -is, it saves the time of arguing over is there a difference in
this term here or there or are we talking -- I mean, it makes
the writing of the Order, for one thing, quite a bit easier
because you are focusing on these definitions in respect to
certain terms and then just saying, you know, the same thing

applies to the others rather than having to take up slight possible nuances in all of the others.

I mean, you -- it seems to me what you've said here actually supports my concern; and that is, these are very, very similar. And, therefore, it doesn't seem to be a great burden to have very skilled counsel, such as yourselves, to get right down to, you know, tell me what the evil thing is these people are doing. I mean, if they are stealing your stuff, point it out. Let's not waste time with the little stuff they are stealing. Let's go right to the heart of it and show -- I mean, I'm putting it in terms of criminal law, obviously; but -- it's partly to make sure that the claim construction goes through; but in the end we're also looking forward to the jury trial where attempting to present too much information actually winds up, I think, working to Defendant's benefit.

MR. SHEASBY: I understand your concern,
your Honor. Like I emphasized, this was not done in an attempt
to sandbag CIBA or to be overly aggressive. We did this
because we felt it was our obligation to identify the claims.

One of the things that is important to emphasize is that even though the claims have core similarities, that there are differences between them. And though those differences may not matter for infringement, those differences may matter for validity. And we haven't received CIBA's invalidity contentions, and we anticipate that --

THE COURT: Well, I think those are due

January 5th, aren't they, on the first set of patents?

MR. SHEASBY: That's correct, your Honor. And I think once the invalidity contentions come in, once the parties have identified by mid-January the terms that they believe have to be construed in the patents, I think two things will occur. One, I think there will be a natural ability to limit the number of terms in dispute; and I also think that the parties will better understand and better be able to identify representative claims.

It seems to me that if what I'm saying is true, that even though there are a hundred claims at issue, that it really coalesces into a limited number of terms, that it is something that the winnowing of the claims, the identification of representative claims, is something that doesn't have to be, shall I say, forced in the way Judge Folsom does it. I don't mean that in a pejorative sense. I mean limiting claims via a Court Order as opposed to what occurs in many patent cases, which is to say reasonable people do reasonable things.

Reasonable people don't present 20 or 30 limitations to a Judge to construe in a day hearing; and reasonable people don't present, you know, 30 claims to a jury for a patent infringement case.

THE COURT: Well, actually this might be best addressed to the Defendants. As I understand it, you received

the infringement contentions on the old case, the 149 case, in a timely manner. Now I'm talking to Defendants. And then the Plaintiffs went ahead and served their infringement contentions on the new case even, you know, prior to the management schedule. So, you have all of that information.

You know, typically I wind up having a Markman conference anywhere between five and seven months in any case. If I go ahead and issue an Order now in terms of tentatively setting this Markman -- or initially planning to have it all on the same Markman date -- and I may set an interim date after some initial discovery of cutting down the number of claims. Tell me what prejudicial disadvantage -- unfairly prejudicial disadvantage that works to you. And, again keeping in mind that if this was a brand-new case and we hadn't had the first one at all, we would be looking at five to seven months out anyway.

MR. MEDLOCK: Bryan Medlock, your Honor, for CIBA Vision.

This discussion we're having now is, in truth, déjà vu, as you observed early. In the case management conference we had in October, I pointed out to the Court that there were 130 claims then in issue and that there was no way that the parties could practically handle that many claims by way of infringement contentions and invalidity positions.

We were told by this same counsel for CooperVision

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that -- as we were told again today -- the reasonable person is going to whittle down the number of claims before we get to trial; so, it should not be a problem.

On October 10, when that statement was made, the applications for the two patents in the new case had already been allowed. The issue fee had been paid for weeks in advance And the patents issued a few weeks, I think of that hearing less than about a month, after we had that hearing. So, while we were being told that the case would be whittled down by reasonable people in October, the counsel for CooperVision knew that they were about to issue two new patents from which they have asserted something like 18 new claims at the very moment, without telling us that they were about to add two new patents to this conflict. When they produced documents later after that Case Management Conference, they didn't give us copies of those applications for patent which had been allowed, issue fee paid, and were about to issue. We didn't learn about those patents until we were sued.

Now they sit here and say, "Oh, well, now we want to condense this already tight schedule that the Eastern District sets for these cases to add some patents which we never told you about when we had our initial Case Management Conference but which had already been paid on the issue fee; and, by the way, you can't withdraw them from issue without petitioning the Commissioner of Patents for permission to do

so."

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So, there is no surprise here on CooperVision's part that they are putting us in a time crunch because they knew that when we had the initial conference. This should have been brought up in October, your Honor.

THE COURT: Okay Just so, I guess -- and since all counsel appear before me regularly. I don't memorize all of the papers that come in to me, but I do read your motions and replies. And when we get here -- and I've made lots of jury arguments. I've tried lots of cases. I understand the emotional part of -- but in most cases -- I mean, I'm not a It doesn't serve anybody very well to try to get me mad jury If I'm mad at somebody, I'm already mad at them at somebody. for what they have done or not done. I know what they have done or not done. Been there, done that. I lived through the Rambo years. You were a younger lawyer in those days, in the I mean, I don't know every trick in the book; but But now I'm the Judge and I've got to I've seen a lot of them. look at: I've got very similar patents; I've got a limited schedule.

It's pretty obviously I'm thinking in terms of, okay, these patents are very closely related. We need to get down to a much smaller representative number of claims that can be dealt with at *Markman* and then at trial. And in some ways I think that actually helps Plaintiff But you might be arguing:

No, no, we want lots and lots of them to confuse the jury. I mean, that would be a potential tactic, I suppose, that a Defendant could take.

But what I want right now is -- you know, assuming I set a deadline within -- well, right now the *Markman* on the first case is set for -- the claim construction is set for June 27th. Considering that claim construction could actually be done at any time -- it is just a definition by the Court of terms which, as I understand it, used to be done and could still be done on the day of the jury trial. It makes it very hard for all of the experts, obviously, which is why we try to do it earlier.

What unfair prejudice -- not prejudice -- because, as Judge Justice pointed out to me once, that's my opponent's job, is to prejudice me in my job; it is unfair prejudice -- would there be in tentatively saying, okay, the *Markman* Hearing is going to be on this date and then let's figure out how we're going to condense this down so that the *Markman* is realistic.

I mean, there is also the practical matter of: We go through this one case and try it and they find out all their mistakes as you brilliantly defend and then they come back with this second set of patents with a complete new trial. I mean, I don't really want to give Plaintiff two bites at the same apple which, given the closeness of these kind of patents, seems to be a possibility. I don't think I can issue an Order

saying that if you lose the first case, you lose the second one automatically. And, so, I'm actually looking for a way to get this done reasonably and only get -- you know, basically they get one chance to bite you, one trial; and that's it

Now, I think good counsel can think of six different ways and eight different arguments against what I just said; but this is what I'm thinking of. So, tell me what would be unfairly prejudicial about saying, okay, we're going to move forward -- and in light of the fact that I frequently set a Markman within five or six months. I mean, if this was a brand-new case, nothing prior, you might be -- and especially with only an 18-claim and 2 patents, might say, okay, we're going to go to Markman in five months. I mean, a lot of information has been disclosed. Tell me what particular problems you run into then

MR MEDLOCK: Several

THE COURT: Okay

MR. MEDLOCK: First, as you will hear when we get to the disputed issues with respect to discovery, we still do not have any specificity with respect to why we are said to infringe the original set of toric patents. And we'll show you drawings from the patent and the answers we got and the infringement contentions to demonstrate we don't know why they are charging our lenses with infringement because they won't identify where in our lenses you find some of these terms that

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have been shown to you today on the screen. They refuse to do

And we want you to -- I'm getting over into discovery disputes, but it has to do with our prejudice because only when we know how they intend to apply the claims to our lenses can we really give you meaningful invalidity contentions. That's been a problem for us, is coming up with our invalidity contentions in view of the lack of specificity of how they claim we infringe. We're still going to come forward on January 5 with a set of invalidity contentions; and we're asking the Court to permit us -- once you have ordered them, as I think you will, to give us specific information on where in our lenses you find these different zones -- to supplement our invalidity contentions with art that we can then find that has to do with those features. That's the first prejudice. To have an early hearing on these claim terms before we even know how they apply them to our product is prejudicial.

Number 2. Until we know how they are going to construe these claim terms, that is, how they are going to apply them to our product, it's difficult for us to know what claims we are going to ask to be construed. In the two new patents, they have changed the terms. I don't know whether you caught it. But when they were putting the original claim language and the new claim language of the toric patents on the

screen, they said they were basically the same. The language is different. The terms are different in many respects. In fact, there are 16 different terms in the new toric patents in the Lufkin case, the new case, that aren't in the old toric patents. They are gonna have to be construed unless they take the position -- and we don't think they will -- that they mean the same thing, these new terms, as some of the old terms. I don't think they will take that position because they added the new terms to avoid problems that the old terms created for them in trying to apply them to our products. So, there is prejudice to us to bring in new patents with new terms without us having any specificity as to how those terms could be applied to our products.

Now, according to your preliminary schedule in the new case, there would be a *Markman* Hearing on October 3 if you count days from the case management --

THE COURT: Well, that would be one -- that was based on the only day I had available was in October. We've had so many patent cases come in in one big bunch that October was the date available. But what I don't want to do is go through a claim construction at the end of June on the first bunch of patents and then in October basically rehash the same thing.

MR MEDLOCK: I agree

THE COURT: I mean, that's a waste of everybody's

time And, yeah, there could be, you know, a few tiny minor differences; but that would be, to me, a huge waste of time and an incredible expense to both sides. So, that's where that October date came from, was just that was the next time I had open on my docket for a Markman given all the other Markmans and trials that I have on the schedule. It had nothing -- that was just why it's that particular day.

MR. MEDLOCK: CIBA agrees with you that the cases ought to be consolidated; and on December 18 I wrote counsel for CooperVision suggesting that if they wanted to meet and confer with respect to consolidation and consideration of a changed schedule, we were available to meet. They have declined to talk to me about a revised schedule. So, here we are without having conferred with each other about what might be a reasonable date for a *Markman* Hearing with respect to all of these patents; and, so, it is left up to the Court to decide what can be done.

I personally favor your suggestion that we have a hearing and a trial on the spherical lenses first. There are two of those patents that have to do with the spherical lens. The toric patents are different. Have a later trial on the toric patents; and it would be less confusing, I suggest, to the jury than having one trial dealing with two different classes or types of inventions. That's a good suggestion, I think; and we could proceed as presently scheduled in the first

two spherical patents. Then take up, in a separate proceeding, separate claim construction, the toric patents and a separate trial date for the toric patents. That makes eminent sense.

what I have seen done in other cases where you had many -- in fact, in one case there were five patents being asserted by the Plaintiff. We were involved on the Plaintiff's side. Judge Ron Whyte out in San Jose, United States District Court there, limited, as I remember, the case to 20 claims out of five patents and then, come trial time, made the parties reduce it to 10 so that the jury was only asked to pass on the infringement and validity of 10 claims out of -- I think there were several hundred claims in those patents, as I remember. I could get specific numbers for the Court. But that made the case manageable.

THE COURT: Well, and that's exactly what I was talking about. Judge Folsom has done something similar.

That's exactly what I'm looking at, is --

MR. MEDLOCK: And if you would do that, your Honor, I think we could pick a claim construction date that met with your schedule as early as you want it, if we can limit it to a few claims. But as we're now faced with over a hundred claims we have to deal with and all the terms that have to be construed, it is a major, major task.

And I know I've heard you speak in the past at

seminars that you want the parties to limit the number of terms to those that are case-determinative, that really matter. And it is hard here for us to know what those are without knowing how they are applying them to our products. So, we need two things. I think we need to limit the number of claims and get an Order from you telling them to be specific with respect to our products, how those claims apply. Not conclusory, yes, it's there, where is it and how do you know it is there. Be specific.

I hope I've responded to the prejudice.

THE COURT: All right. What I'm -- I've got a different draft of the Scheduling Order in this particular case, and I'm going to basically take it -- or run it as though the Rule 16 initial management conference was today. And basically what this is going to wind up requiring is that --

And actually I may give the Plaintiffs a choice on this. I mean, we can continue through the whole thing; but what I'm going to suggest is that by March 7th the Plaintiffs come down and identify 20 claims that allegedly infringe that will go forward for the *Markman* claim construction which we'll plan on holding at the same date on all of the cases, the new ones and the old ones -- or both cases, all of the patents, the new ones and the old ones, on June 27th as set out before

Now, that's obviously going to require some work on the part of Plaintiffs; but you allege that you have already

given your infringement contentions, in fact, quite a bit early. And I'll also note that on the Defendant's side, as far as invalidity contentions, in that second group of patents, they've got a list of prior references in one of those patents that is about the longest I've ever seen. Not that I read those on a daily basis; but there is a huge amount of prior art reference that they talk about there, which should help in terms of where it is they are coming from

Now, when we get to that point and when we get to the *Markman*, right now I'm planning on having just the one trial; but it may be that we're going to have to divide up the trials into edge design and toric cases. And I'll hear from the parties at that time about that, but right now I'm planning on going forward.

Now, as far as the discovery, I have, because of the long holiday, just received the various motions -- or the motion, I think, that Defendants had filed or Plaintiffs had filed. There are some discovery motions already that have been coming in. I would caution both sides in terms of -- and this is partly what Mr. Medlock said. You outlined the precise tension that occurs in every case. Obviously, Defendants want total and complete disclosure from Plaintiffs so that they know exactly where to set all of the traps; and Plaintiffs want Defendant to disclose everything so they know exactly what to put -- I mean, this is set out in various literature and books;

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and I even put it out in one of my Orders. It is the football field as a minefield analogy. And, sure, both sides want everything from both sides -- or from the other side; but there is no way to run a fair system like that.

The Plaintiffs are wanting things to move forward quickly. I would sure encourage you to make sure that your infringement contentions are as direct and precise as possible. The Defendants are going to want to -- or may want to rely on invalidity contentions.

And given the lead time because of the delay that occurred while this case was in Marshall, it is a little difficult for Defendants to be in the position of some Defendants: We just got sued; we had no idea what we've had to research. This case has been on file a long, long, long time. And the idea that Defendant's attorneys and engineers haven't been at least casually looking through the research, getting ready to defeat this in terms of showing that their patents are invalid doesn't ring as very likely. The case was filed -- or was sitting around the court in Marshall for a number of months before it came to me and then -- in fact, as I recall, the case was filed April 10th, 2006. There was an agreed motion to delay the answer. Finally there was an answer on June 5th of 2006. The case was finally transferred to me on June 14th.

Well, the idea that CIBA was sitting around doing nothing during all that time -- sure, you didn't have all the

exact information; but in terms of invalidity, there was some time there. It's not -- the surprise argument isn't quite as strong as it might be in other cases when there has been less time. I'm not saying that -- I'm not even allowing CooperVision to reset the schedule by preemptively filing its notice of infringement and its infringement contentions and, therefore, setting the schedule on that. I'm going as though today was the management conference, recognizing there has been some extra time there. If it was wasted by CIBA, well, then they wasted it. But, again, I don't see that the claims of surprise are quite as strong as they might have been

If there are particular complaints you have about the infringement contentions not being specific enough, rather than saying none of them are specific enough, I suggest you make sure that counsel knows exactly what those are because I'm not really interested in doing discovery myself, I mean, sitting down and saying, "All right. Now what do you say? What do you say? What do you say?"

That doesn't make any sense. You are all very competent counsel; and if there are real honest and true questions that you don't have answered or that you are entitled to, that's one thing. In terms of going far beyond that -- and I've heard some of the replies, and both sides seem to be pointing the finger at each other. It is just the natural tension of this kind of -- involved in this kind of case in

terms of -- even more than we used to have in other kinds of products liability litigation and personal injury litigation. Both sides want the other to go first; and, in effect, both sides are going to kind of have to mutually disclose.

Mr. Medlock

MR MEDLOCK: First, I would like to address the issue of the invalidity contentions. The new patents have claims of different scope than the old toric patents. As a result of that, the searching we have done in the past -- and I hope we haven't wasted any time in doing that searching -- doesn't apply necessarily to the scope of the new toric patent claims which have new terms and new scope. We'll be happy to go into the detail of that if you wish

We have commissioned, as soon as we learned about the new patents and the new scope, prior art searching. That searching won't be done for 25 days. So, I can't make final or semi-final invalidity contentions with respect to the new patent claims -- and I am going to comply with the January 5 deadline as you've ordered with respect to the old patents -- until I have that prior art.

THE COURT: Well, that should work out pretty well because under the schedule, like I said, taking it as though today were the management conference, that wouldn't be due until February 21st. So, that gives you your 25 days plus most of the way through February to work on that. I mean, that --

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I'm not going to try to hold you in the new case to the
schedule of the old case other than the Claim Construction
Hearing. In other words, I've worked out a schedule as though
here is the management conference. They have gone ahead and
done their infringement contentions and -- you know,
recognizing that you've had some time but part of that time was
also with the Christmas and New Years vacation period and no
one -- less work gets done then than at other times of the
year. But just so you know, I mean, invalidity contentions
wouldn't be due until February 21st in that case.
            MR MEDLOCK:
                          In that case.
            THE COURT: In that case
            And on the other one, the January 5th, there has
been since -- well, to some degree since April of 2006 to start
looking at -- since that was when the suit was first filed.
Obviously, you haven't had their precise infringement
contentions all that time; but it's also, I think, a little
disingenuous to say, "Well, we just sat on our hands and did
nothing," when you know what they are coming after you with
            MR. MEDLOCK: No. We didn't sit on our hands and
do nothing.
            THE COURT: No, I didn't think you did.
            MR MEDLOCK:
                          No.
            THE COURT: I mean, that's --
            MR. MEDLOCK: And we can't give final invalidity
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contentions until we know how they interpret -- I'm not asking
for claim construction. How do they apply the claims to our
product?
            And I'd like to -- you have taken the view that
maybe it's one of these he-said, she-said, who knows what
really happened and go forward with this case. We would like
to address in just a few minutes why we contend that their
infringement contentions aren't specific. They aren't at all,
and they don't help us at all decide how the claims apply.
like to show you a drawing from the patent.
            THE COURT: All right...
            MR MEDLOCK: Okay I'm going to ask Mr Hatcher
to do that, your Honor -- he's been involved in this discovery
dispute -- to show you that we really haven't received the kind
of information we need as a preliminary matter.
            MR. HATCHER: Good afternoon, your Honor.
                                                       Mike
Hatcher for the Defendants.
            Your Honor --
            THE COURT: You are not in some way related to the
Mike Hatcher of Tyler, the appellate lawyer, are you?
            MR HATCHER: No, your Honor.
            THE COURT: Okay...
            MR HATCHER:
                          There is a fair number of Hatchers
out there, but I don't believe I'm related to that one.
            THE COURT:
                        Oh, I don't think that would be a
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He was -- at least he used to be a really good
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   disgrace
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   appellate lawyer.
               MR. HATCHER: Oh, no, no. I didn't mean it that
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   way at all, your Honor.
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               Do you have before you the letter that we filed on
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   December 29th and I think we hand-delivered to your chambers?
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               THE COURT:
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                           No.
               MR. HATCHER: All right. I was just going to
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   direct you to this drawing --
               THE COURT: All right.
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               MR. HATCHER: -- which is included in there. And
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   if you look on this drawing, this is figure 1 of their toric
   patents I believe it is figure 1 in all their of the patents
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   in the original case. And, your Honor --
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               THE COURT: Which is the -- I've got it up here on
   the screen; but when you say the -- which -- let's see, the
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   toric patents, the '740, the '903 and the '746?
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               MR HATCHER: Yes I believe this one is from
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   the -- this one is from the '903 patent. So, it is figure 1
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   from the '903 patent.
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               THE COURT:
                           Okay...
               MR HATCHER: And when we talk about their
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   infringement contentions being deficient, what I'm specifically
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   talking about -- or what we are specifically talking about is
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   that if you look on this drawing, when they talk about a
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substantially uniform horizontal thickness being a claim limitation, it is not a substantially uniform horizontal thickness just anywhere and it is not just one line of substantially uniform horizontal thickness that we believe they are going to assert their claims cover. It calls for a band -- their claims call for a band of uniform horizontal thickness; and they call for it in specific points on the lens, the accused contact lenses, depending on which claim you are talking about.

And the way that you determine the size of that band requires that you know where -- and if you will look at figure 1, your Honor. It requires you to know where the boundary line is between the peripheral zone and the inner zone so that you know where the peripheral zone is on the accused lens and where the inner zone is on the accused lens. You have to know where that boundary is in order to do the calculations that are in their claim limitations to determine both where this alleged band of uniform horizontal thickness is and how big the band is.

And when I say "how big the band is," what I mean is, if you look at the -- if you look at their figure 1, you will see what we'll call -- you'll see a line going down the horizontal that's labeled "BZ." We'll call that the vertical meridian. Their claim limitations require that the substantial uniform horizontal thickness exists for a certain portion of

that vertical meridian. And the way that you determine the size of that portion is with reference to the boundary between the peripheral zone and the inner zone. And they simply haven't, in their infringement contentions, told us where they allege that boundary is on our lens. And without knowing where that boundary is on the lens, there is no way to determine whether or not our lenses actually infringe.

It is a key part of their infringement contentions that they haven't given us; and it causes us real problems because without knowing that, we can't tell how they are applying their claims to our product, which is problematic to our invalidity contentions because without knowing how they are applying the claims to our product, it makes it very difficult for us to look at prior art public sales of other contact lenses that are on the market and figure out what prior art public use lenses -- and I'm putting aside patents and publications where we can read the disclosure. I'm talking about having to look at a physical device that was on the market before the critical date of these patents and determine whether or not we want to chart that for our invalidity contentions.

We need to know how they are interpreting and how they are going to place this peripheral -- this boundary between the peripheral zone and the inner zone on our contact lenses to give us some sense of what we should allege, what

prior public sales or public uses we should allege invalidate the patents. And that's really our point, your Honor, about the deficiencies in their infringement contentions and how they affect our ability to give meaningful invalidity contentions

THE COURT: Well, on the other hand, that argument, I suppose, could be raised in every case; and that is -- and actually it is what Defendants always want. You would like to have their complete claim construction position and the definitions from the Court defining all of the claims before you give your invalidity contentions. That would be ideal for any Defendant.

And ever since the Northern District of California came out with their rules setting out a schedule recognizing, as I mentioned before the tension, that hasn't been allowed. So, yes, I understand that it makes it a little hard because you are taking a look at the claims; but I don't know of any courts that have adopted the California, slash, Eastern District of Texas, slash, several other District Courts set of so-called Patent Rules that are requiring Plaintiffs to, in effect, set out their claim constructions before the Defendant then says, "Oh, now that you've done that, we know where we're going to get you on invalidity."

MR HATCHER: Right, your Honor

THE COURT: So, that -- I mean, I understand why you want it; and I understand that most Defendants do want

that But that is part of the decision that has been made in the cases to say, "No, that's not how we're going to do it."

Now, there is always the possibility that after claim construction, if the claim construction itself shows that a piece of prior use, prior sale type art is clearly applicable, that that may wind up being added. On the other hand, you run the risk, of course, of it being clearly available before and the Court finding out that, no, this is obviously just a "gotcha" that you're saving. So, that's the kind of tactical decision you make all of the time.

But I don't think, you know, that prevents you from putting out your invalidity contentions. And I guess the other thing that the Court has to note as a practical matter is that with most juries, you are either going to have that piece of prior art that says exactly what -- or was exactly what the other one was for invalidity, or you are going to have maybe a couple of them that go together with obviousness. But if you try to flood the jury with lots and lots and lots of stuff, your expert is going to look like he's just blowing smoke; and it is not going to come up well.

Now, I also recognize that no defense attorney wants to turn down or limit themselves in any way, shape, or form because they have got a client sitting there saying, "Well, why didn't you make argument Z? You only made arguments A, B, and C." I understand that, but that's just part of the

system we're in.

So, if there are specific questions that you have of Plaintiff, I would suggest that you ask them specifically. But part of this is going to come out in your discovery. I mean, you are going to have to wind up talking to or deposing their people, which is how you are going to find this out. I mean, my guess is to some extent, their attorneys don't even know the answers to your questions. It is going to have to be in your deposing their experts, and you have discovery time to do that

MR. HATCHER: May I make a couple points, your Honor?

THE COURT: Sure

MR HATCHER: First of all, we're not asking and we don't want a definition of any of the terms that they have in their claims. All we want is for them to apply their claims to our products. And I think that's what the infringement contentions are. They just have to apply their claims to our product and show us how they believe our product infringes. And without marking -- without showing us where on our lenses they believe this boundary between the peripheral zone and the inner zone is and, thus, creating the peripheral zone and the inner zone, there is no way to, in good faith, determine whether or not our lenses infringe because you have to do that before you can make an infringement determination for any of

their claim limitations

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All we want is an application of their claims to our product and specifically for them to show us where they contend the boundary is between the peripheral zone and the inner zone. And they, I believe, have declined to do that; and they have explicitly said they haven't given us that information in their responsive letter and are not intending to give it to us.

THE COURT: All right. Let me hear from

Plaintiffs. The question sounds fairly simple. Where is this

inner zone boundary, outer zone boundary, peripheral zone?

What's so difficult about answering that question?

MR. SHEASBY: Your Honor, do you have handy the claim charts for the patents-in-suit? I have a color copy if that would assist the Court.

THE COURT: Okay. This is attached to what? Your initial infringement contentions or this supplement that you filed?

MR SHEASBY: This was with the supplement that I filed, but I have it in a very easy form if I may approach.

THE COURT: All right.

MR. SHEASBY: Your Honor, if you look at tab -- I'm just randomly putting up tab 3 right now, and I am on page 2 of tab 3.

THE COURT: I assume that defense counsel has a

copy of this

MR. HATCHER: Yes, your Honor.

THE COURT: Okay

MR. HATCHER: Well, I have one in front of me.

MR SHEASBY: Your Honor, what we've done is, up until December 26th, the only real information we had available was the images we took of CIBA's lenses and analysis we did of those lenses. And what we tried to do is, based on the data we have available, sketch out the zones of the lens.

And, so, if you see on page 2 of the chart in A.3, we've done that on an image of a CIBA  $0_2$ OPTIX lens. We have identified the peripheral zone, the inner region, the optic zone. If you would turn the page, one of the things that CIBA points out in their letter to the Court is that they don't know over what region of the lens there is a substantially uniform horizontal thickness. What we've done for that -- at least what we've tried to do is, we've taken horizontal sections from three representative portions of the lens; and we presented those on page 3 through 6. And we identify the portions of the lens that they are from; and we point out to the fact that exclusive of the optical zone and the peripheral zone of the lens, that there is a uniform thickness on this lens that doesn't vary by more than 30 micrometers or 20 percent.

Now, there is no doubt -- and I'm sorry. I don't want to get ahead of the Court, so...

THE COURT: No I've looked at it.

MR. SHEASBY: There is no doubt that as this case progresses, more information will be available. On December 26th, CIBA identified the documents that support their noninfringement contentions. There were over 3,000 documents identified. A number of those documents are not accessible to us at this time. We're working with CIBA, and we requested that CIBA give us the information necessary to access those documents. And I think as this case progresses, we'll be able to provide more detail. Right now this is the detail we are able to provide based on the information we've had.

I think it is very telling that one of the things that Mr Hatcher said in his oral argument was, he said, "We need to know how they interpret the peripheral zone." Well, I submit to you, your Honor, that the information that they are seeking is really a definition of "peripheral zone." It is a definition of the "inner zone." Now, that's coming very quickly, your Honor. The claim construction process is starting at the middle of this month. The preliminary disclosures of claim construction positions, I believe, is occurring in February. And obviously at that time, we're going to be able to give them more information about our positions; and we hope that they will be able to give us more information about their positions.

One of the things that -- I've been recently in

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front of a Judge in Delaware in the United States District
   Court in Delaware. He's been elevated to the Third Circuit
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         But one of the things he told me --
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                THE COURT: Has he made it yet or just nominated?
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                              He was just elevated.
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                    SHEASBY:
                            Really? They went through and gave him
                THE COURT:
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   his hearing?
                                         He has been elevated.
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                MR SHEASBY: Yes, ves
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                THE COURT: Good for him. He's a friend of mine is
   why I mentioned, Kent Jordan.
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                            0h, really?
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                MR SHEASBY:
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                                  I know him fairly well
                THE COURT: Yes
                MR. SHEASBY: One of the things that he pointed out
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   to me is that discovery is a two-way street, and you have to
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   give to get. And I think that if you compare the infringement
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   contentions that we presented with the noninfringement
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   contentions that CIBA presented, it is -- I think the balance
   weighs towards CooperVision, that CIBA has gone ahead and they
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   have identified limitations that they believe they don't meet;
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   and that's all they have done.
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               And we hope that as time progresses -- they say
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   they need our claim construction positions to more fully
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   analyze their noninfringement points; and we hope that when we
   give them those claim construction positions, they are going to
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   be able to do that for us.
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But I would say that the level of detail we have given them where we have identified exactly where the horizontal thickness is -- if you look at claim 13 -- if you look at page 13 of the claim chart --

THE COURT: All right. Which exhibit is this now?

MR SHEASBY: This is the same exhibit, A.3, at
page 13

THE COURT: All right.

MR. SHEASBY: And you will see at claim 12 we actually identify that the ballast portion is across the entire inner zone of the lens. And, so, it is the entire ballast portion across the entire inner zone that has a uniform horizontal thickness exclusive of the optic zone and the peripheral zone.

Once again, this is information based on micrograph images of the lenses. We're going to crunch the data on their design files that they have given us, and we hope that -- we know that over time, both parties will have more detailed responses.

I think, your Honor, there are two other things that I think it is worth pointing out. One of the things is that we always refer to this April date as the date on which CIBA became aware of these patents; and the factual record will show that that is not the case, that CIBA was aware of these patents before they were asserted against them.

And I think the second point to emphasize is that these patents that were -- these patent applications were publicly available for many, many, many months. And we hoped and we assumed that CIBA would have looked at them; and if they haven't, then we certainly think that the time that the Court has allotted is more than sufficient for them to prepare the analysis. Indeed, it is more than is provided for under the Patent Local Rules.

THE COURT: All right. Well, we are not -- since I have not read through the -- or completely digested the letter complaints about each other and what discovery has been done, I'm not going to try to rule and just shoot from the hip right now.

But I can tell you -- and Mr. Medlock picked up on this. From looking at it, it does not appear to me that both sides are getting along very well. In fact, one of my clerks -- and these, keep in mind, are very young attorneys. One of them has been out of school all of a year and a half, and one of them has been out of school for less than a year. And the first thing they said is, "These guys hate each other."

You might consider that because at some point -- at one time I used to practice out where Judge Lucius Bunton was the Judge And I'm not sure we want to get into that kind of discovery hearing where basically it doesn't matter what discovery issue comes up; someone pays sanctions. That's not a

good idea. That's not my idea of the best way to run a case.

There were times he felt that was absolutely necessary, and he may have been right.

What I'm seeing in these letters is, "Well, they are asking for too much; and, by the way, we're going to give it anyway in April." Or, "Yes, we did too give it; but if we didn't, it is going to be coming in our forthcoming disclosure" or whatever. Or, "We've already given it over here; so, we shouldn't have to give it again."

There is an indication there that -- I mean, both sides are saying, "Well, no, we shouldn't have to give it. But really we did because we're not sure how the Judge is going to rule; so, we're a little bit nervous about saying we didn't give it. So, really we did just in case you're mad at us, Judge."

I mean, that's why I'm saying that -- and I think that's where the clerks are getting the idea. Maybe taking a deep breath and being a little bit honest about what's going on -- you know the kind of discovery that is going to be involved. And I understand the Defendant's feeling of unfairness that you are trying to respond without knowing exactly what the claims are, and I understand the Plaintiff's feeling of unfairness of having to go forward. I mean, that's just part of what patent litigation is. But I'm -- I don't think either side really wants to see what the ruling is going

to be if we continue on in this respect.

Now, the other thing that doesn't -- is not real impressive is claims being made and, so, you make the response and then you say, you know, we gave this on December 25th or December 26th, the day after Christmas; and we are now here January 3rd. Maybe they have read it. Maybe they haven't. But on the other hand, if you've got it, you at least know they've sent something

I do not have the impression that there has been, I guess, a fair, adult, good-faith exchange of what are the real problems and then competent counsel coming and saying, "You know, we're down to this one last cutting-edge point that we can't agree on; and we really need a determination, or these two issues as a matter of law."

I mean, are these e-mails privileged, or is it really on your side too extensive to go through every e-mail? I think that's one of the issues here.

And, obviously, the question of Plaintiffs is: Do you really need every single one of those e-mails?

And, on the other side: Do you really have to turn over all of electronic discovery in formats that no one can look at from the other side?

And, you know, can you really not look at them on your side; or are you just saying that?

And these are questions -- obviously I can spend a

lot of time going through them, but that's not the best use of the Court's time. I mean, those are things that counsel can work out. And I may have to wind up being a little creative, but it really doesn't work out to either side's benefit or to your client's benefit of me appointing a special master and force all of the lawyers to sit down in the same room and don't come out until the master has sided all of this stuff or turn it over to the Magistrate to do the same thing or just issue rulings along with heavy sanctions on both sides. I mean, that just is not how I like to deal with things; and it -- well, it should rub attorneys the wrong way, too. I mean, I didn't like being involved in cases like that when Judges did those kinds of things.

So, what I'm going to say is, I've started to look at this. It has just come in. I would expect Defendants -- if you've got real questions or concerns after looking at this supplement that they have presented, which appears on its face to add a lot of additional information and photographs -- if you've got some specific questions, ask them. And please do not get involved in the game of, "Well, I asked him to sit down for a conference" and then your side saying, "Well, I'm not going to sit down. We're not going to have no stinking conferences with them." I mean, that's just not going to work, either.

You know, maybe we don't have -- neither side has

time to sit down face-to-face for a conference; but you've sure got time for a phone call. With this many attorneys on both sides, somebody has time for a phone call with each other. And on your side if you've got some additional information, fine; or if it is going to have to come from the expert or the experts, then set up the deposition.

Right now what I'm planning to do is go ahead and have this case set for the *Markman* Hearing as previously scheduled, and there will be a different schedule as far as the various disclosures and so forth going out on the second case as though today was the management conference.

All right. Let me ask from Plaintiff's point of view. Is there anything further that you think could profitably be taken up at this time or needs to be taken up at this time?

MR. SHEASBY: Your Honor, I have two final points.

One is, I actually wanted to report an issue of commonality which occurred right before the hearing started which is that CIBA has made a commitment to reconstruct e-mail accounts and search those e-mails.

THE COURT: Okay

MR. SHEASBY: And the second point is, I know your Honor has issued an Order that we should limit our asserted claims to 20 by, I think, early March, which is after they file their invalidity contentions in the second case. The

only thing I would ask -- and it is because I haven't done the analysis -- is, if it is necessary for there to be two or three claims on the north side of 20, I wanted to know what procedure we should use -- or maybe we shouldn't use any procedure because the answer is no -- to ask the Court's leave to have a few additional claims beyond 20.

THE COURT: Well, I think that's -- as in every other case, if there is a real showing of good cause, the Court is not going to be unreasonable

MR. SHEASBY: I understand.

THE COURT: But the good cause is not, "Gee, we'd really like to have it because it makes it harder for them," or "There is this minute difference between the two that is not going to really help; but, gee, just in case, I don't want to lose a" -- you know, I understand the terrible pressure on lawyers when you've got clients looking over your shoulder and that horrible feeling in your gut when you suddenly realize that, gee, I missed an issue; and now I'm not going to have it on appeal. Believe me, I know that But that's part of your job, is to know what the key issues are and make sure they are out there.

MR. SHEASBY: I understand, your Honor.

THE COURT: But it is part of my job to run the court efficiently and get you a decision in a reasonable amount of time.

MR SHEASBY: I understand

THE COURT: All right. Anything from Defendant's point of view that either needs to be or can profitably and helpfully be considered at this time?

MR. MEDLOCK: After hearing your remarks, your Honor, I think the wise thing to do is shut up and sit down.

THE COURT: Well, I would not put it that way

All right. I mean, if from Plaintiff's point of view these cases are so complicated that they cannot be handled as I've suggested, then you need to be thinking in terms of separating it out maybe between the edge design and the toric design patents, with one of them having a -- unfortunately, because of my schedule -- quite a bit longer time frame. I'll offer you that choice as you look at it. You may still have a limited number because even with the toric I think there are 60 or 80 different claims in there; so, that is going to probably wind up being limited anyway.

So, you mentioned can I come back with a few more claims. One question I'll be asking you is, well, then perhaps what we need to do is divide this up and have two *Markmans* and two trials, with the second one being a long way on out there, weighing in mind, as I said before, my reluctance to give a Plaintiff two bites at a Defendant in two different trials.

There is some unfairness there; although, if Defendant agreed to it, that wouldn't be such a problem. So, you know, think about that when you are going through this analysis.

> In that case, I wish you all a very happy --Yes, Mr. Dark?

MR DARK: Judge, I just thought of something. It would probably be good, just as a matter of record and to clear it with you, that discovery in either one of these cases would be admissible in the other case or that --

THE COURT: Any objections to that from Defendant?

MR DARK: I haven't had a chance to talk to them.

It just occurred to me that--

MR MEDLOCK: No.

THE COURT: Okay. Discovery in one case will apply to the other case and vice versa. And, for that matter, it's very likely that a claim construction in one patent in the toric is very likely to be the same claim construction in one of the continuations, the later ones, unless there is a real good reason -- such as the applicant being his own lexicographer -- that I shouldn't define the same term within the same group. Now, that may not be so true with an edge design patent and toric patent; but any one of the toric patents, it would seem -- and I haven't analyzed it yet, but it would seem very likely that I'm going to be defining those pretty much the same all of the way through.